

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	DOCKET NOS. UE-140762 and
)	UE-140617 (<i>consolidated</i>)
PACIFICORP D/B/A PACIFIC POWER &)	
LIGHT COMPANY,)	
)	
Respondent.)	
_____)	
)	
In the Matter of the Petition of)	
)	
PACIFIC POWER & LIGHT)	DOCKET NO. UE-131384
COMPANY,)	(<i>consolidated</i>)
)	
For an Order Approving Deferral of)	
Costs Related to Colstrip Outage)	
_____)	
)	
In the Matter of the Petition of)	
)	
PACIFIC POWER & LIGHT)	DOCKET NO. UE-140094
COMPANY,)	(<i>consolidated</i>)
)	
For an Order Approving Deferral of)	
Costs Related to Declining Hydro)	
Generation)	
_____)	

EXHIBIT NO.__(MPG-21)

REVISED STRUNK RISK PREMIUM

October 10, 2014

Pacific Power & Light Company

Revised Strunk Risk Premium

<u>Line</u>	<u>Description</u>	<u>Risk Premium</u> ¹ (1)	<u>Current Yield</u> ^{2/3} (2)	<u>Cost of Equity</u> (3)
1	30-Year Treasury Bonds	5.67%	3.27%	8.94%
2	A-Rated Utility Bonds	5.44%	4.20%	9.63%
3	Baa Rated Corporate Bonds	3.80%	4.74%	8.53%

Sources:

¹Mr. Strunk's Workpapers

²<http://credittrends.moody.com/>.

³St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org>.